G. R. S. App. F. IX-4]

1942 - 3

W File No. 221 42

Previous References.
W 199-40-159.

(War -)

Serial Nos. 1 to 6.

Later References.

GENERAL AND REVENUE SECRETARIAT

Serial Nos. Six only.

Part B for May 1943.

SUBJECT.

Financial assistance to States in regard to A.R.P.

A.M. Krishnaswami
24.5.43.

221 Financial assistance to States in regard to A.R.P.

Continuation Sheet. W File No. / Current No. 221 of 42-3. Page. 1

From The Secretary to the Hon'ble the Resident. D.O. No F. 3(23)-42/W d 20th Jan 43 forwarding for information a copy of the correspondence between the Chancellor of the Chamber of Princes to the Secy to the E the Crown Representative and a copy of the reply regarding financial assistance to States in regard to A.R.P.

5960

1) Dewan's minute on the P.U.D. May be subd to H.M. for perusal in the first instance and examined in detail subsequently. It does not however look as if the offer will benefit us or any other State.

(Initd) N. M. 31/1/43.

2) Subd with a D.S.N

(RS 1/2 Sec.)

3) Dewan

Hon

Submitted to His Highness.

I submit for His Highness's gracious perusal the D.O. letter No. F. 3(22)-42/W. dated 20th January 1943 from the Secretary to the Hon'ble the Resident forwarding a copy of the Demi-official letter from His Highness the Chancellor of the Chamber of Princes to the Secretary to His Excellency the Crown Representative and of the latter's reply thereto. It does not look as if the offer made therein will benefit this or any other State. The matter will however be examined in detail.

D E W A N.

Camp Mysore,

5th February 1943.

13

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Letter from the Residency regarding financial assistance to States in regard to A.R.P.

No 569

5)

Order.

6/2/43.

General and Revenue Secretariat.

e705.

(4

SUBJECT :—

Letter from the Residency regarding financial assistance to State in regard to A.R.P.

(*)

14. All urgent or confidential files returned with His Highness' orders may, in the absence of instructions or indications to the contrary, be ordinarily circulated to the Ministers for perusal after the issue of orders.

16. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after, to the Chief Secretary for circulation to the Ministers.

17. In all other cases, the files will first be circulated to the Ministers at Headquarters and then sent to the Secretariat concerned for the issue of orders.

(1) Circulated to Council of Ministers for perusal of His Highness' orders before/after issue of orders. (*Vide* Rules 14, 16 and 17 of the Subsidiary Rules of the Mysore Government Business Rules.) (*)

Chief Secretary to Government.

Through the Secretary to Government,

.....Department.

6591/8.2.43 Minister for Finance and Revenue.

Minister for Law.

3726/92 Minister for Education. 10.2.43

6304/11.2.43 Minister for Local Self-Govt. and Public Health. War 12.2.43.

NOTE.—Contn. sheet

WD 0718—GPB—1,000—11-9-42

Para 13 of the Political Dept letter specifies the assistance which the Govt of India are prepared to offer to States (which is precisely the same as is agreed by Provinces) and the Conditions to which this assistance is subject. A Kind reference is invited to the Law Ministry's minute of 27th Feby. 42 stating that we do not intend to share such expenditure, or a previous letter from the Secy on the same subject.

This is under reference to the W. Secretariat in connection with A.R.P. in Provinces. h

According to the Standard formula a State will bear in full expenditure on Civil Defence in each year to an amount equivalent to 1% of its revenues. Perhaps the Comptr Gen may be requested to furnish figures as to the expenditure incurred on Civil Defence during the official year 1941-42 and after the receipt of this reply the question may be examined whether any assistance need be asked for from the Govt of India on the basis of the Standard formula stated for perusal and orders.

3) 2) 5) yes h

(c) The Home Secretary may be consulted as regards the expenditure and D. Secretaries. We do not anticipate however that the work would extend to any considerable expenditure for this year or even more than a lakh or two.

(d) In view of the altered circumstances, the question of

2227/W. Financial assistance to Corpns for A.R.P.

Continuation Sheet. W File No. / Current No. 221 of 42-3. Page. 6

CHIEF SECRETARY. 6508 25. FEB. 1943 GOVT. OF MYSORE.

Removing the A.R.P. restrictions to make the consideration of the Govt & also of the Madras Govt. of this is done. The case may be moved later

10) The D.A.G. may also be consulted

for

25/2

thereafter

11) JS.

for

11/3/43

for

12) With reference to other suggestions. Regarding the circular to the Corporations issued in the matter of borrowing the Corporations Councils in the War. It is for consideration whether the Comptr need be asked for information on all the minor heads for the year 41-42. Retrospective since the question now under consideration is only in financial assistance to Municipalities in regard to A.R.P. Perhaps the Comptr may be asked to furnish information in 5 only. After orders of approval the file will be sent up to the Govt for favour of remarks.

K

13) for 11/3

14) Submitted with a draft to the Comptr

RS 11/3 SG

RS 12/3 SG

15) Draft

Issued 362/W dated 12th March 43 to the Comptr.

16) Subd for orders whether a Ldf may be consulted now or a refd from a Compltr may be awaited

17) Fls encl draft letter to S.Sl

(RS 12/3 SS) (16) Subd with a draft to a Ldf

(RS 12/3 SS) Issued 3644/W d 13th Mch 42 to a Ldf.

From The Compltr to Govt

549/B.II d. 23rd March 42 forwg Statt of expenditure incurred on ARP measures in the year 1941-42.

(RS 26/3 SS) (20) The papers as originally received from the Regy were sent to the Ldf for favour of remarks. The refd may perhaps be awaited.

(21) From

The Secy to the Govt of Kerala

D.O.No F.3(22)-42/W d. 24th March 42 forwg copy of correspondence regg financial assistance to States in regard to CD measures.

(22) The papers as originally received with the foregoing Regy Letter were sent to the Ldf for remarks. The file of the Forest Endorse will also be sent for his information & he will be requested to expedite his reply. The Compltr has already furnished figures of the expenditure incurred in 1941-42.

(RS 3/3 SS)

23) The Residency letter calls for remark. A copy of it since the enclosures are not sent to the D.G.P. for information & for expediting the remarks called for

Does not seem necessary

31/3

24) 9.9.0 may be asked to expedite his reply.

CHIEF SECRETARY
31. MAR. 1943
GOVT. OF MYSORE.

25) Submitted for remarks to D.G.P.

31/3/43

26) Submitted.

Memo 3789/W dated 31st March 43 to the D.G.P.

From D.G.P.

No. A & E 3/47 dated 29-4-43.

Seeks sanction to claim for assistance arising during the expenditure over E.D. exceeds by Rs. and other conditions are satisfied & etc. as for years - Previous also Revision.

27) Submitted for orders vide ref. in para 4 - 11 supra.

The expenditure under A.R.P. in the Police, P.W.D. and Medical Departments during 41-42 was only Rs. 41, 605

As already indicated 30/4. in the Submission Note, the

3089 Financial assistance to States in regard to A.R.P.
W.

Continuation Sheet. W File No. / Current No. 221 of 42-3. Page.

apprs does not benefit the Myore State. The matter may perhaps be closed

hr
30/4

Shiv Rao

10013
[illegible]

For perusal. This offer of financial assistance is of no practical benefit to us, under present conditions.

8281

The papers will be recorded.

Min Edn
& Dewan

WO 30/4/43
hr 1/5

Mcy
2/5/43

WO
3/5/43

Date 11.5.43
No. 354

W 221-42-1

2227

CONFIDENTIAL.
D.O.No.F.3(22)-42/W.

Bangalore, W.
20th January 1943.

Financial assistance to States in regard to A.R.P.

OFFICE OF THE MINISTER FOR FINANCE & REVENUE
22 JAN 1943
No. 5382.

JAN 21 1943

My dear Mr.Mehkri,

I am desired to forward for information a copy of the correspondence noted in the margin regarding financial assistance to States in regard to A.R.P.

Demi-official letter from His Highness the Chancellor of the Chamber of Princes to the Secretary to His Excellency the Crown Representative, dated the 26th August 1942 and a copy of his reply dated 4th January 1943.

Yours sincerely,

Mothamed-ul-Mulk

Mr.M.G.Mehkri, B.A., LL.B.,
Chief Secretary to the Government of
His Highness the Maharaja of Mysore,
Bangalore.

I examined in detail subsequently.
It does not however look as if
the office will benefit us in any other
State

Dec
31/1/43

Confidential.
Urgent.

Office of H.H. the Chancellor,
Chamber of Princes,
New Delhi,
26th August 1942.

Financial assistance to States in regard to A.R.P.

My dear Secretary,

Please refer to para (b), relating to the above subject, under item 3 in the record of discussion held with the Dy; Commander-in-Chief on July 10th 1942 in the Political Adviser's room. Sir Henry Craik then stated that "this question affected several Departments of the Government of India and that they had been consulted before the decision conveyed to the Chancellor in Sir Kenneth Fitze's letter had been reached. If the Rulers wished the question to be further examined, he felt they should go into the matter fully and elaborate their case for presentation to the Departments concerned." A memorandum on the subject is accordingly enclosed.

2. In view of the urgency of this matter and the equity of their claim, the Indian States depend on His Execellency the Crown Representative and the Crown Department to invoke their good offices to arrive at an early and sympathetic settlement of this question.

3. My Secretary recently discussed the A.R.P. arrangements in the States, with Captain Pearson (Officer on Special duty in the Civil Defence Department) and it transpired that the A.R.P. arrangements of the States are handicapped, notwithstanding their desire to do everything possible in the matter, because of the financial limitations. You will appreciate, that it is vital for the Defence of India that every unit should be properly prepared to meet any emergency, and though the States are doing everything they can towards war effort and Civil Defence , their efforts should not be handicapped through the refusal or delay of the Government of India in giving them financial assistance necessary and due to them.

Yours sincerely,

Sd/- Digvijaysinhji.

------:o:-------

Confidential.
D.O.No.F.113(9)-W/42.

Political Department,
New Delhi,
The 4th January 1943.

My dear Pro-Chancellor,

The memorandum on the subject of financial assistance to States in regard to A.R.P., which was received with His Highness the Chancellor's letter dated the 26th August 1942, has been thoroughly examined and I am now able to communicate to Your Highness the conclusions which have been reached on its contents.

2. It is stated in the memorandum that the Princes are advised that on constitutional grounds "the expenditure necessitated by civil Defence and A.R.P. measures falls within the sphere of the Crown's obligation to protect the States from external aggression". The memorandum also contains an assertion, which is reiterated in the Chancellor's letter, that A.R.P. arrangements in most of the States are being seriously handicapped because "of the financial limitations", and it is urged that, although the States do not wish to press their constitutional right to be relieved by the Crown of all A.R.P. and Civil Defence expenditure, those which desire to receive financial assistance should be given it on an automatic basis such as the slab system in force with the Provinces. These points will be separately examined in the following paragraphs.

3. .

3. The grounds on which the advice given to the Princes regarding the constitutional position is based have not been stated. The Crown Representative and the Government of India have, however, naturally been concerned to examine this thesis with the greatest care and find themselves quite unable to accept it. In paragraph 3 of my letter of 5th February 1942 to His Highness the Chancellor, it was explained that the Government of India had decided that Civil Defence, as distinguished from actual military Defence which falls within the sphere of the Central Government, is wholly the responsibility of the Provinces, both from the point of view of administration and finance. This being the constitutional position as between the Provinces and the Centre, the Crown Representative and the Government of India can certainly not agree that the obligations of the Crown for the defence of the States are more comprehensive than its obligations for the defence of the Provinces. The Crown's obligations to protect the States, are, infact, limited to the provision of the troops, ships, aircraft, guns etc. required for active military defence and they do not include the liability for what may be called passive defence, i.e. the protection of the civil population against attacks from the air and the provision of relief against the effects of enemy action. That liability devolves on the States, and the responsibility for discharging it is entirely theirs.

4. Turning now to the assertion that A.R.P. measures in most of the States are being seriously handicapped by "financial limitations", it is unfortunately true that such information as is available from the contacts which have, in the interests of the States, been arranged between them and the Civil Defence Department, indicates that the civil defence measures undertaken in some States are inadequate owing to the failure of those States to provide the requisite funds. In this connection I am to invite a reference to paragraph 4 of my demi-official letter of the 5th February 1942 to the Chancellor, which made it clear that :-

"As regards States, it follows, as in the case of Provinces, that they will be expected to treat civil defence and the protection of their population against the results of enemy action as one of their foremost responsibilities and to allow no other consideration to interfere with adequate action." It was further intimated in that latter that, if any State should find that expenditure on Civil Defence measures necessary for the protection of its people was becoming so heavy that it could not afford to meet it from its own resources, the Crown Representative would be prepared to consider on its merits a request for financial assistance. In the circumstances I am to observe that the unnamed States which, it is alleged, are being seriously handicapped in their A.R.P. arrangements because of "financial limitations" have been fortunate in that the course which the War has taken in this country has not so far made it necessary for them to account to their people for their failure to take proper steps for the protection of the civil population. If such a necessity had arisen, it seems doubtful whether the sufferers would have been satisfied with the explanation that the making out of a case for special assistance from the Government of India would have been contrary to the "best traditions" of the States.

5. As regards the plea that States desiring financial assistance from the Government of India towards their A.R.P. and Civil Defence measures should receive it on an automatic basis like the Provinces, it has been explained above that on constitutional grounds the financial responsibility for such expenditure lies wholly on the States, as it does on the Provinces. The Government of India have nevertheless agreed in the case of Provinces to an arrangement, which is based on the financial relations between the Centre and the Provinces and takes into account the recent developments of war time taxation and the effects of the war on Provincial budgets, under which the Central Government undertakes to share the cost of Civil Defence expenditure in a Province once it exeeds a fixed percentage of the Provincial revenues. While the Government of India's financial relations with the States are so different that there is no real

case

case for analogous treatment - as there is none for the claim advanced on constitutional grounds -, the Crown Representative and the Government of India have nevertheless decided to offer to the States, on certain conditions, the same measure of assistance as has been granted to Provinces. In reaching this decision the Crown Representative and the Government of India have been influenced on the one hand by the invaluable contributions of all kinds which the States as a whole have made towards the War Effort and on the other by the advantages of dealing with Provinces and States alike in this particular matter, on the basis of a standard formula. The assistance which the Government of India are prepared to offer to States, and which is precisely the same as is enjoyed by Provinces, is as follows:-

(1) A State will bear in full expenditure on Civil Defence in each year to an amount equivalent to 4% of its revenues.

(2) The State will bear half the expenditure in each year of amounts spent between 4% and 8% of its revenues.

(3) The State will bear one quarter of amounts spent each year between 8% and 12% of its revenues, and

(4) the State will bear $\frac{3}{4}$th of all amounts spent in each year in excess of 12% of its revenues.

The conditions to which this assistance will be subject, and which were accepted in principle by His Highness the Chancellor and other representatives of the States during the informal discussions which took place under the Chairmanship of the Political Adviser on 10th July 1942, are as follows:-

(1) Without prejudice to the sole and full responsibility of the State in all civil defence matters the whole Civil Defence Scheme of a State, which makes a claim for financial assistance, shall be subject to the technical approval of the Civil Defence Department and shall only be put into effect to the extent which that Department may from time to time consider necessary.

(2) Any State which makes a claim for financial assistance must undertake to satisfy the Crown Representative and the Central Government's Civil Defence, Financial and Audit Authorities, by local inspection or otherwise, on the following points:-

(a) that the object of any expenditure claimed to be Civil Defence expenditure under the State Scheme is a genuine Civil Defence measure, approved by the Civil Defence Department of the Government of India, and

(b) that the amount of expenditure on any given item is reasonable and has actually been incurred.

(3) The Crown Representative will be at liberty to disallow any item or part of an item if he is not satisfied on these points, or if the works are of permanent utility.

6. In this connection it may be stated that some of the larger schemes connected with Civil Defence are so technical and complicated that, with a view to securing both efficiency and due economy it is the practice of Provincial Governments and Residents in charge of administered areas in States to seek the advice of the Civil Defence Department on such schemes. The Crown Representative would strongly advise that states should likewise freely seek the advice and assistance of the Civil Defence Department on comparatively difficult and expensive individual schemes likely to cost say Rs.10,000 or more. This would be in the best interests of the States themselves and of the Central Government in fact by adopting this procedure, the practical application of the conditions referred to

in

in paragraph 5 of this letter, should it become necessary, would be rendered easier and simpler.

7. In reaching the decision to offer assistance on the above lines to the States, the Crown Representative and the Government of India have been impressed by the disirability of removing every possible obstacle from the way of the States in providing adequate protection for their people against the results of enemy action. As your Highness is aware, the Government of India have placed the advice of the Civil Defence Department and their technical advisers at the disposal of any State which desires to take advantage of it, and the Crown Representative trusts that all States will realise the importance of discharging fully and promptly their responsibilities to their people in this vital matter.

Yours sincerely,

Sd. K.S. Fitze,

General His Highness Maharajadhiraja Raj Rajeshwar
Shiromani Maharaja Shri Sir Ganga Singhji Bahadur,
GCSI., GCIE., GCVO., GBE., KCB., LL.D., ADC.,
Maharaja of Bikaner,
Pro-Chancellor of the Chamber of Princes.

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map.

MEMORANDUM.

The necessity of elaborate and essential measures for air-raid precaution and civil defence is fully appreciated by the States and these arrangements are being implemented by them to the fullest extent possible in the local circumstances. The expenditure involved in these measures has been necessitated in the States from the possible threat of enemy action, and the Princes are advised that it legitimately falls within the sphere of Crowns obligation to protect the States from external agression. Nevertheless, in accordance with their traditions, the States have been anxious to avoid burdening the Crown at this time of stress and difficulty. Accordingly, most of the States have so far incurred the expenditure necessary for A.R.P. and Civil Defence measures. Recent enquiries, however, have shown that A.R.P. arrangements in most of the States are being seriously handicapped, despite their desire to do everything possible in the matter because of the financial limitations. It has, therefore, become a matter of vital necessity that, even though many States may not like in the present cincumstances to ask for special financial assistance from the Central Exchequer, the claim of States so desiring should be recognised for substantial contributions towards such expenditure particularly where the States concerned are not capable of shouldering the unexpected heavy expenditure involved in these schemes and where they are already incurring heavy expenditure for defence purposes.

2. The previous history of this case may briefly be recapitulated as follows:-

(a) On the 26th September 1941 His Highness the Chancellor addressed the Political Department on this subject and requested that the States, so desiring, may be afforded facilities and financial assistance for A.R.P. arrangements on the same basis as have been extended to the Provinces.

(b) At the first Civil Defence Conference convened by the Government of India in November 1941, Mir Maqbool Mahmood, representing the Chamber of Princes, pointed out that though the States were not inclined to ask the Crown to pay for all the services which they had willingly undertaken at considerable expense, as part of their war effort and which in many cases could in normal circumstances be claimed from the Central Exchequer, the claim for financial assistance to the States so desiring should be sympathetically examined.

(c) In his reply dated the 5th of February 1942, the Political Secretary stated that - "As regards States, it follows, as in the case of Protinces, that they will be expected to treat civil defence and the protection of their population against the results of enemy action as one of their foremost responsibilities in this emergency and to allow no other consideration to interfere with adequate action. As regards financial aid from the Centre, it is not possible to say at present whether it would be beyond the capacity of individual States to take all the civil defence measures necessary without outside aid. Nevertheless, if it is found that in any individual State the magnitude of necessary expenditure on civil defence measures compared to its resources is so great that it is compelled to seek the assistance of the Crown Representative, the latter will be prepared to consider any such request on its merits and to determine the form and extent of financial assistance to be given to the State, with due regard to:-

(i) the magnitude of expenditure and the nature of schemes;

(ii) the financial resources of the State, including capital assets and the special efforts made to meet all necessary expenditure from its resources, if necessary by curtailing normal peace-time expenditure; and

(iii) the war effort of the States."

(d) The aforesaid reply was examined by the Standing Committee of Princes as well as by the Committee of Ministers under the auspices of the Chamber of Princes. The general feeling on the subject, as intimated to the Political Secretary — ~~in the~~

Political Secretary in the Chancellor's letter of 31st of March 1942, was that though the Crown's obligations to States to protect them from external aggression entitle them to the fullest possible assistance in this matter, their traditions forbid them from applying for the proposed financial assistance and thereby burdening the Crown at this time of stress and difficulty. Moreover, the suggested inquisitorial investigation which is to be the condition precedent to the grant of financial assistance would appear, even in the few cases where the need for such assistance may be unavoidable, to be open to objection.

(e) This question was again emphasized when Representatives of the Chamber of Princes met the Political Adviser and the Deputy Commander-in-chief on the 10th of July, 1942. At this Conference His Highness the Chancellor in summing up the position of the States pointed out that they wanted a definite and automatic scheme for the division of Civil Defence and A.R.P.expenditure between the States and the Central Government. They felt that individual States which had to spend large sums on Civil Defence measures should not have to ask for assistance and make out a special case for it, they should all know where they stood and be entitled to receive a share of their expenditure according to a fixed scale, as in the case of the Provinces.

Mr. Ibbotson, Director Civil Defence, who was present at the Conference stated that supposing such a scheme could be evolved and approved by the Govt. of India Departments concerned he assumed that the States would agree to their A.R.P. arrangements, towards the cost of which they wished Govt. to contribute, being subject to scrutiny by the Government of India. His Highness the Chancellor felt that there would be no objection to satisfy the Government of India, that funds contributed by them were being spent for the purpose for which they were contributed.

This discussion was concluded by the Political Adviser with the remarks that if the Rulers wished the question to be further examined he felt they should go into the matter fully and elaborate their case for presentation to the Depts. concerned.

3. The following main conclusions emerged from the previous correspondence and discussions referred to in the last para:-

(a) that though the Princes are advised that the expenditure necessitated by Civil Defence and A.R.P. measures falls within the sphere of Crown's obligation to protect the States from external aggression, they do not wish to burden the Crown or to press for their whole claim in this behalf during the present emergency. At the same time, they are anxious that where financial limitations make it impossible for a State to implement vital measures needed in this Connection, any link in the defence of India should not be weakened and the States concerned should be given fullest possible assistance without inquisitorial enquiries and consequent delays.

(b) that though the position of the States is much stronger than that of the Provinces to claim such assistance, without prejudice to this position, the States are content to claim being treated in this matter on the same basis as the Provinces, that is the relief where due should be automatic, as pointed out above by His Highness the Chancellor, and it should not be demanded of the States to apply and make a special case for assistance, which would be against their best traditions.

(c) that where funds are contributed by the Government of India towards the A.R.P. expenditure of a State, there would be no objection to satisfy the Central Authorities that funds contributed by them were being spent on the purpose for which they were contributed.

4. The position of the States, in the matter of responsibility for defence

defence expenditure, is different from that of the Provinces. In this connection, attention may inter-alia be invited to the following considerations:-

(a) the position of the States in this matter is regulated by their treaties and engagements which entitle them to special treatment. Various States have been contributing large sums directly and indirectly, towards the expenditure on defence.

(b) The States claimed their economic right to share in the customs revenue of the Central Exchequer. The share debitable to the States out of the cost of defence of India, was cited as an equitable charge against their claim to share the customs revenue. The question was carefully examined and the advice of eminent council in England, now occupying most responsible positions, was as follows:-

There is in our opinion, no interconnection between defence and customs. We think that the States are entitled to a share in Customs Duties collected by the Government of India (although local conditions may make the euquitable apportionment of the Customs Revenue a matter of some complexity). But this right is wholly unconnected with the question of defence, in regard to which the obligations of the States were defined, and in many cases discharged long ago.

We are therefore of opinion that there is no foundation for any such alleged "equitable claim".

(c) Even the Butler Committee has recognised that whether or not a State makes a contribution towards the cost of defence, the Crown is under an obligation to protect the States. This Committee was also of the opinion that the States had "a strong claim to some relief" in the matter of their share to Customs Revenue. Negertheless, further consideration of this question was shelved in view of the then impending federal negotiations. The equity of this claim cannot, however, be ignored.

5. There are a very few States whose treaties and engagements expressly provide that under certain satisfied conditions the expenses on defence shall be shared with the British Government or borne by the States concerned; in the case of all other States which include about 85% of the Members of the Chamber of Princes, all expenditure directly or indirectly incurred to meet external aggression or its imminent danger is an obligation of the Crown.

6. In case it be urged that the Provinces make special direct contributions to the Central Exchequer through Income-tax, it may be pointed out that there are varied and important functions which the Central Government and its machinery provide exclusively for the provinces which do not concerned the States.

7. The States do not wish to press for consideration of their special position and the aforesaid claims in the duration of the war. They urge, however, that apart from other considerations involved, it is vital for the defence of India as a whole, to lend necessary assistance to every unit to be able to make essential arrangements to resist enemy action. As such, it is requested that the States so desiring should also be able to get financial assistance towards their A.R.P. and Civil Defence measures, on an automatic basis such as the slab system introduced for the Provinces.

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ICM

Appendix F. G.—1]

SUBJECT.....

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Section War

File No. 221-42

Serial No. 2.

Diary No. of letter replied to...2227.....

No. 3629/W d 12-3-43

To The Comptr & Govt.
Expenditure on ARP measures.

General and Revenue Secretariat

( )

the *194* .

Sir,

Date of issue.... 12-3-1943

I am directed to request you kindly to furnish for the information of Govt ~~furnish~~ a statement furnishing particulars of the expenditure incurred on ARP measures during the year 1941/42 under the undermentioned heads

(1) Police Dept
(2) Public Works Dept
(3) Medical Dept.

Signed by.... M. SKV

List of enclosures.....

Copied by.....

Examined by.....

A very early reply is requested

I have &c

for Secy

Chief Secy to Govt

WD 04161—GPB—60,000—24-10-41

Appendix F. G.—1]

SUBJECT.....

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.....

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *194* .

Date of issue.... 13-3-43

Signed by.... Mr. OKV

List of enclosures.....

Copied by.....

Examined by.....

Section War

File No. 221-42

Confidential Serial No. 3.

No. 3644/W - Encls. d 13-3-43

To

Financial assistance to States in regard to ARP.

Sir,

I am directed to enclose herein for information and for favour of remarks a copy of the correspondence noted in the margin on the above subject, received from the Resident. The enclosures may kindly be returned with your reply.

I have

&c.

for Chief Secretary to Govt

W221-42-4. 2777

W

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Comptroller's Office, Bangalore.

No. 549/B-II

Dated the 23rd March 1943.

To

J. Appaji Gowda, Esq., B.A.(Hons),
Chief Secretary to the Government
of Mysore, Bangalore.

Sir,

As requested in your letter No.3629/W dated 12th March 1943, I have the honour to append below a statement of the expenditure incurred on A.R.P.measures in the Police, Public Works and Medical Departments during the year 1941-42.

Name of the Department.	Amount.
1. Police Department	Rs. 1,10,150
2. Public Works ,,	94,688
3. Medical ,,	37,000
Total Rs.	2,41,838

I have the honour to be,
Sir,
Your most obedient servant,

Deputy Comptroller
For Comptroller absent from
Head Quarters.

23/3/43.

W 221-42-5

CONFIDENTIAL.

D.O.
No.F.3(22)-42/W.
(2Encls).

Bangalore,
29 March 1943.

2821/W

Financial assistance to Indian States in regard to civil defence measures.

War for 30/3/43

My dear Mr.Appaji Gowda,

In continuation of my demi-official letter No. F.3(22)-42/W, dated the 20th January 1943, I am directed to forward for information a copy of the correspondence noted in the margin.

Demi-official letter from His Highness the Chancellor of the Chamber of Princes to the Secretary to His Excellency the Crown Representative, dated the 9th February 1943 and his reply dated the 9th March 1943.

Yours sincerely,

J.Appaji Gowda, Esq., B.A.(Hons.),
Chief Secretary to the Government of
His Highness the Maharaja of Mysore,
Bangalore.

Kln.

D.O.No.1879.

Office of H.H. the Chancellor,
Chamber of Princes,
Council House,
New Delhi, the 9th February 1943.

Financial assistance to States
in regard to A.R.P. etc.

.....

My Dear Secretary,

Will you kindly refer to your confidential D.O. No.F.113(9)-W/12 of the 4th January 1943 to His Highness the Pro-Chancellor in reply to my memorandum on the above subject. I feel confident that the States generally will be gratified to learn that the Crown Representative and the Government of India have decided to offer to the States the same measure of assistance as has been granted to Provinces. Moreover, this decision should remove the financial difficulties which have so far made it difficult for many States, notwithstanding their best endeavours and desire to assist in the war effort, to provide the necessary Civil Defence measures within their territories. It is assumed that the proposed arrangements will also apply to the past expenditure incurred by the States in this matter on the basis and from the date it has been made applicable to the Provinces.

2. In paras 3 and 5 of your letter under reference, certain remarks are made in respect of the constitutional position of the States in this matter and the Crown's obligation to protect them from external aggression. Some of these remarks are obviously controversial and are not acceptable to the States; moreover as stated in your letter, these remarks have been made without examining the ground on which the claim of the States is based. Nevertheless, as stated in paragraph 7 of my memorandum to you, "the States do not wish to press for consideration of their special position and the aforesaid x claims in the duration of the War. They urge, however, that apart from other considerations involved, it is vital for the defence of India as a whole, to lend necessary assistance to every unit to be able to make essential arrangements to resist enemy action." As such, it was requested that the States so desiring should also be able to get financial assistance towards their A.R.P. and Civil Defence measures on an automatic basis such as the slab system introduced for the Provinces.

3. The Crown Representative will doubtless appreciate that the exigencies of the present emergency and the vital necessities of providing essential measures of defence in every unit in the country require that financial assistance now offered to the States on the same basis as to the Provinces should be utilised without prejudice to the ultimate responsibility of the Crown or the States in regard to these matters which can be settled after the successful termination of the War. Moreover, it is understood that apart from the general position of the States in this matter, the acceptance of the standard formula of financial aid to the States cited in paragraph 5 of your letter under reference would be without prejudice to the rights of those States whose treaties and engagements may entitle them to special consideration in respect of this matter.

4. Certain conditions are mentioned towards the end of para 5 of your letter, which will govern the aforesaid financial assistance to the States, and it is stated "That these conditions were accepted in principle by His Highness the Chancellor and other representatives of the States during the informal discussions which took place under the Chairmanship of the Political Adviser on 10th July 1942". In this connection, attention is invited to the relevent extract from the record of the informal discussion held on the 10th July 1942, which reads as follows:-

> "His Highness the Jam Saheb said the States wanted a definite and automatic scheme for the division of Civil Defence and A.R.P. expenditure between the States and the Government of India similar to that in force between the Provinces and the

Central

Central Government. They felt that individual States which had to spend large sums on civil defence measures should not have to ask for assistance and make out a special case for it - they should all know where they stood and be entitled to receive a share of their expenditure according to a fixed scale, as in the case of the Provinces.

Sir Kenneth Fitze said that one State had already applied for assistance.

Mr. Ibbotson said that, supposing such a scheme could be evolved and approved by the Government of India Departments concerned, he assumed that the States would agree to their A.R.P. arrangements towards the cost of which they wished Government to contribute, being subject to scrutiny by the Government of India. His Highness the Jam Saheb felt that there would be no objection to satisfying the Government of India that funds contributed by them were being spent on the purpose for which they were contributed."

5. In view of what has been stated in the last two paras of this letter, I would suggest that condition (1) cited in para 5 of your letter under reference may be revised as follows:-

> "Without prejudice to the decision after the war on the question of the responsibility of the Crown or the State in all Civil Defence measures, the whole Civil Defence scheme of a State, which makes a claim for financial assitance, shall be subject to the technical advice of the Civil Defence Department"

With the aforesaid revision of condition (1), the three conditions mentioned in your letter under reference should, in my opinion, be generally acceptable to the States. Moreover, there should be no objection to the States, in their own interests and at their discretion inviting the advice and assistance of the Civil Defence Department of the Government of India in regard to expensive individual schemes likely to cost Rs.10,000/- or more as suggested in para 6 of your letter.

Yours sincerely,

Sd/- Digvijaysinhji.

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CONFIDENTIAL.

D.O.No.F.113(9)-W/42

Political Department,
New Delhi,
The 9th March 1943.

Financial assistance to Indian States in regard to civil defence measures.

My dear Chancellor,

Will your Highness kindly refer to your demi official letter No.1879 dated the 9th February 1943 on the above subject ?

2. Following the financial rule of the Central Government and the Crown Representative, financial san ctions have ordinarily no retrospective effect and it was not intended (nor does it appear to the Crown Representative to be necessary) to extend the concession stated in my demi-official letter No.F.113(9)-W/42 dated the 4th January 1943 to a period earlier than the financial year, 1942,-1943. The Crown Representative will, however, have no objection to considering, on their merits, the claims of individual States which may have incurred, considerable expenditure on civil-defence measures in previous years, if any application for help is made.

3. The Crown Representative regrets his inability to accept the revision suggested by Your Highness of Condition (1) in paragraph 5 of my demi official letter of the 4th January 1943.

Yours sincerely,
Sd. K.S. Fitze.

Colonel His Highness Maharaja Mam Shri
Sir Digvijaysinhji Ranjitsinhji Jadeja, G.C.I.E., K.C.S.I., A.D.C
Maharaja Jam Saheb of Nawanagar,
Chancellor of the Chamber of Princes.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat,

No. 3789/W.

Bangalore, Dated, 31st March 1943.

From

The Chief Secretary to the Government of His Highness the Maharaja of Mysore.

To

The Inspector General of Police in Mysore,
Bangalore.

Sir,

Financial Assistance to States in regard to A.R.P.etc.

I am directed to invite reference to this office letter No.3644/W. dated the 13th March 1943, on the above subject, and to request that your reply in the matter may kindly be expedited.

I have the honour to be
Sir,
Your most obedient servant,

For Chief Secretary to Government.

W 221-42-6. 3089/W.

C. F. No. 45]

CONFIDENTIAL. GOVERNMENT OF MYSORE

Telegram / phone

No. AC.3147/42 Encls.
Encls.

OFFICE OF
THE INSPECTOR GENERAL OF POLICE
IN MYSORE, BANGALORE,

Date: 28TH APRIL 1943.

To

The Chief Secretary to Government
of His Highness the Maharaja of Mysore,
BANGALORE.

War

Sir,

20 APR 16

Subject: Financial assistance to States in regard to A.R.P.

P. With reference to your letter No. 3644/W dated, 13th March 1943, I have the honour to state that the claim for any financial assistance from the Government of India appears to arise only when the expenditure on Civil Defence for one year exceeds four percent of the annual Revenue of the State.

The total revenue of the state estimated for the year 1942-43 is Rs. 4,74,55,000/- and four per cent of this works out approximately to 19 lakhs of rupees.

Figures regarding the expenditure incurred by the other Departments on account of Civil Defence (Electrical, Public Works Department, Medical etc.,) are not available. The sanctioned allotment for A.R.P. to this Department is only Rs. 3,80,000/-. It may have to be considered whether the expenditure incurred by all the Departments exceeds 19 lakhs.

Besides the financial limit referred to in the letter of the Political Department there are also other considerations which the State has to satisfy to claim the assistance from the Imperial Government e.g. Paragraph 5 - last sub para of the letter No.F.113 (a)-W/42 dated, 4th January 1943 of the Secretary to His Excellency the Crown Representative. In the circumstances it is for Government

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Contd.

Government to arrive at a definite decision.

The enclosures received with your letter under reference are also returned herewith.

I have the honour to be,
Sir,
Your most obedient servant,

Inspector General of Police.

K.G.C.